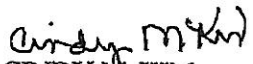


Memorandum

*Flex your power!
Be energy efficient!*

To: BOB PIEFLOW
Chief
Division of Engineering Services

Date: February 5, 2009

From: 
CINDY McKIM
Chief Financial Officer

Subject: Contracts with Multiple Funding Sources

Contracts that are based upon allocations that anticipated the need for multiple funding sources must be consistent with the California Transportation Commission's (CTC) direction at the time of the allocation.

At the time of initial programming, project financial plans should be disclosed. If non-State funds are part of the plan, these plans should be documented in a memorandum of understanding or a cooperative agreement prior to allocation. Allocations made by the CTC are based on the approved financial plan, including the contributions from non-State sources. The CTC expects that, if there are contributions from several sources in a single project, funds will be spent proportionately over the term of the project. Exceptions to this policy should be requested at the time of allocation. Once a project is allocated, the Department does not have authority to make changes to the proportionate contributions without the approval of the CTC.

Also, please keep in mind that bond funds are a finite source of revenue. Therefore, the Department does not have G-12 capacity for bond-funded projects.

Should you have any questions or require additional information, please contact Norma Ortega at (916) 654-4556.

c: Will Kempton, Director
Randell Iwasaki, Chief Deputy Director
Richard Land, Chief Engineer, Project Delivery
District Directors
Norma Ortega, Chief, Division of Budgets
Ross Chittenden, Bond Program Manager
Clark Paulsen, Chief, Division of Accounting
Division of Transportation Programming